

New Labour's double-shuffle

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Stuart Hall looks at key elements in New Labour's strategic adaptation of the neo-liberal agenda.

The Labour election victory in 1997 took place at a moment of great political opportunity. Thatcherism had been decisively rejected by the electorate. But 18 years of Thatcherite rule had radically altered the social, economic and political terrain in British society. There was therefore a fundamental choice of directions for the incoming government.

One was to offer an alternative radical strategy to Thatcherism, attuned to the shifts which had occurred in the 1970s and 1980s; with equal social and political depth, but based on radically different principles. Two basic calculations supported this view. What Thatcherism seemed to have ruled out was both another bout of Keynesian welfare-state social democracy, Wilsonian-style, and another instalment of old-style nationalisation. More significantly, Thatcherism had evolved not just an effective occupancy of power, but a broad hegemonic basis for its authority. This 'revolution' had deep philosophical foundations as well as an effective popular strategy. It was grounded in a radical remodelling of state and economy and the 'colonising' of civil society by a new neo-liberal common-sense. Its effects were 'epochal' (i.e. defined a new political stage).

This was not likely to be reversed by a mere rotation of the electoral wheel of fortune. The historic opportunities for the left required bold, imaginative thinking and decisive action in the early stages of taking power, signalling a new direction. Critical to this was a 'transitional programme' - a few critical examples, popular but radical, like raising taxes to repair the destruction of the social fabric, a re-invention of the state education system and the reversal of

the very unpopular privatisation of rail - to be introduced at once, chosen for their indicative significance.

As critics, we had concentrated on this Thatcherite reconstruction of the political/ideological terrain. On this, we were fundamentally right. But we may have underestimated the degree to which all this was itself related to much deeper global shifts - the new post-industrial society, the struggle by capital to restore its 'right to manage', the 'globalisation' of the international economy (which was its way out of that impasse), the technological revolution and the rise of a new individualism and the hegemony of neo-liberal free-market ideas. This was the sea-change which overtook the world in the 1970s. It still constitutes the 'horizon' which everybody - including the left - is required to address.

The other choice was, of course, to adapt to Thatcherite/neo-liberal terrain. There were plenty of indications that this would be New Labour's preferred direction: Peter Mandelson's book, for example, and the revisionist ideas peddled in this triumphalist phase by the New Labour intelligentsia - 'differences between left and right are obsolete'; 'there is no alternative' (to neo-liberal globalisation); 'we have no objection to people becoming filthy rich' - provided clear evidence of the kind of re-thinking in progress in inner New Labour circles. Certainly one had no illusions about what 'taking power as New Labour and governing as New Labour' implied. Martin Jacques and I wrote an article for *The Observer* called 'Thatcherism With a Human Face?' on the Sunday before the 1997 election, which cast us irrevocably into outer political darkness. We knew that, once squandered, such a moment would be lost for many years, perhaps forever. We had a strong premonition that New Labour had already made strategic choices which put it irrevocably on the second track.

And so it turned out. In a profound sense, New Labour has adapted to neo-liberal terrain - *but in a significant and distinctive way*. Its critics are still not sufficiently clear about what the nature of that adaptation is. Its novelty - if not in terms of what it consists of, then in how the elements are combined - is not well understood. Still, it took only a few weeks in 1997 for the basic direction to become crystal clear: the fatal decision to follow Conservative spending priorities and commitments, the sneering renunciation of redistribution ('tax and spend!'), the demonisation of its critics ('Old Labour!'), the new ethos of managerial authoritarianism ('We know that we are right'),

the quasi-religious air of righteous conviction ('Either for us or against us'), the reversal of the historic commitment to equality, universality and collective social provision.

The welfare state had been Labour's greatest achievement, then savaged and weakened under Mrs Thatcher. Its de-construction was to be New Labour's historic mission. The two-tier society, corporate greed and the privatisation of need were inevitable corollaries. This was glossed positively as 'modernisation!' Who could possibly be against it? The linguistic operation - generating a veritable flowering of Third Way waffle, double-talk, evasions and 'spin', depending on which audience was being addressed - was critical to the whole venture.

The Prime Minister's recent claims that New Labour's reforms of schools and hospitals (i.e. the re-introduction of selectivity and creeping privatisation) are 'firmly within Labour's historic battle for social justice', or that foundation hospitals are fully in line with the efforts of Nye Bevan to create a universal NHS which would de-commodify health care - that such hospitals are *really* designed to 'give power back to local communities' rather than to open the door to private investment - are only the most recent, blatant examples. The shamelessness of this widespread evasiveness - being economical with the truth as a principle of government - and the profound contempt for the electorate it implies, has gone far to corrupt the whole political culture. Cynicism and political apathy have inevitably followed. (New Labour 'spin' has it that falling electoral participation is a sign of mass contentment. But what is the point of voting, if the result is a New Labour administration which agrees with the Tories on fundamentals, *only with bells on?*)

New Labour does have a long-term strategy, 'a project': what Antonio Gramsci called the 'transformism' of social democracy into a *particular variant* of free-market neo-liberalism. However, it remains fashionable to deny that anything like a project is at work here. Even the disenchanting cling desperately to the hope that English pragmatism will prevail. New Labour's reasoned critics - Roy Hattersley, Frank Dobson, Chris Smith, Bill Morris, even Polly Toynbee - remain 'loyal' (but to what?). They look hopefully for signs that New Labour will of its own accord - now that the second term is spinning out of control, perhaps in the third? - refashion itself into something different. The key thing to say about New Labour is that its so-called 'pragmatism' is the English face it is obliged to wear in order to 'govern' in one set of interests while

maintaining electoral support in another. It isn't fundamentally pragmatic, any more than Thatcherism was - which doesn't mean that it isn't constantly making things up on the run. In relation to the NHS, Mrs Thatcher too was pragmatic in the short run ('The NHS is safe in our hands!'), but strategically an anti-pragmatist. As with the miners, she knew when to withdraw in order to fight again, more effectively, another day.

Pragmatism is the crafty, incremental implementation of a strategic programme - being flexible about the way you push it through, giving ground when the opposition is hot, tactically revising your formulations when necessary. (Having given us 'the enabling state' and the celebration of 'risk', the distinguished Third Way guru Anthony Giddens now effortlessly slips us on to 'the ensuring state' - as more businesses absolve themselves of their pensions obligations.) It requires modestly shifting the emphases to catch the current political wind, saying what will keep traditional 'heartland' supporters happy ('It can come across a bit technocratic, a bit managerial' - the P.M.), whilst always returning to an inflexible ideological base-line ('the fundamental direction in which we are leading the country is correct' - the P.M.). Of course, there will be a thousand scams and devices dreamed up by New Labour's blue-skies policy-wonks, as 'government is re-invented' - for that is the mission of the policy-advisers-turned-civil-servants in the No.10 policy, strategy and innovation units, and the New Labour-inclined 'think-tanks' (the IPPR, Demos). But unerringly, at the strategic level, the project returns to its watch-words: 'wealth-creation', 'reform' and 'modernisation'.

There is a *dominant strategy or logic* at work here, and fundamentally it is *neo-liberal* in character. Thus New Labour has worked - both domestically and globally (through the institutions of 'global governance' such as the IMF, the WTO, the World Bank, etc) - to set the corporate economy free, securing the conditions necessary for its effective operation at home and globally. It has renounced the attempts to graft wider social goals on to the corporate world. (Will Hutton's project of 'stake-holder power' lasted all of five minutes.) It has de-regulated labour and other markets, maintained restrictive trade union legislation, and established relatively weak and compliant regulatory regimes. The Rail regulator, for example, cuts train services and raises fares in order to make rail more 'efficient' (!) It mainly serves as the conduit for substantial public subsidies to inefficient private firms, taking the risk out of investment, but still

cannot find a public alternative to the railways' fragmented structure. The new Broadcasting regulator's main purpose seems to be to dismantle the barriers which currently prevent global interests like Murdoch buying at will into and monopolising British press and media channels.

New Labour has spread the gospel of 'market fundamentalism' - markets and market criteria as the true measure of value - far and wide. It has 'cosied up to business', favouring its interests in multiple public and private ways (from the Formula One cigarette advertising scandal onwards). The trend to inequality has grown exponentially during its administrations, escalating towards American proportions. 'The rich now have a bigger share of the nation's post-tax income than at any time under Mrs Thatcher' (Michael Meacher). It has protected corporate boardroom greed; and promoted business influence in shaping social agendas favourable to its interests at the heart of government (the connections of those advising the government on GM and environmental issues with pharmaceutical and bio-technology corporate interests have only just come to light). It has promoted the image of 'the businessman' and 'the entrepreneur' as *the* principal social role model, spreading the gospel of 'entrepreneurial values' ('efficiency', 'choice', 'selectivity') through the land. It has pursued a splendidly variable range of privatisations - sustaining the sell-off of critical public assets (transport, the London tube, air-traffic control, the postal services), forcing the public sector to 'mimic' the market in its internal operations, fatally blurring the public/private distinction (Public Finance Initiatives, public-private 'partnerships') and stealthily opening doors for private investment in, and the corporate penetration of, parts of the public sector (the prison service, schools, the NHS). Every media debate as to whether the latest creeping privatisation is '*really* privatisation' is a form of trivial pursuit.

However, New Labour has adapted the fundamental neo-liberal programme to suit its conditions of governance - that of a social democratic government trying to govern in a neo-liberal direction while maintaining its traditional working-class and public-sector middle-class support, with all the compromises and confusions that entails. It has modified the classic anti-statist stance of American-style neo-liberalism by a 're-invention of active government'. This is not a return to government as we have known it, but a revolution in 'governance' (see the 1999 *Modernizing Government* White Paper). The term 'governance' is itself another shifty New Labour concept: not a synonym for 'government' but

the signifier of 'a new process of governing, a changed condition of ordered rule', specifically designed to blur the difference between state and civil society (Rhodes 1996). As Paul Du Gay argues, this involves 'a new rationality of rule', in which 'political government has been re-structured in the name of an economizing logic'.

'Entrepreneurial governance', its advocates advise, promotes competition between service providers, favours the shift from bureaucracy to 'community', focuses not on inputs but on outcomes (delivery), redefines clients as consumers, de-centralises authority through 'participatory management', and prefers market mechanisms to administrative ones (Osborn and Gaebler, quoted in Du Gay, p13). Its neo-liberal origins are hard to disguise. Far from breaking with neo-liberalism, 'entrepreneurial governance' constitutes its continuation - but in a transformed way. 'To govern better the state is to govern less but more "entrepreneurially"' (Du Gay).

The entrenched New Labour orthodoxy is that only the private sector is 'efficient' in a measurable way. The public sector is, by definition, 'inefficient' and out of date, partly because it has social objectives beyond economic efficiency and value-for-money. It can only save itself by becoming more like the market. This is the true meaning of 'modernisation'. As Alan Finlayson argues, 'Modernisation' is a loosely performative speech-act, in the sense that it 'acquires meaning and force only in the moment of its usage ... It is an "up" word, that makes things sound exciting, progressive and positive ... [Its] usage helps generate an appearance of structured and unified thinking ... It helps to render "natural" and un-contestable that which is not necessarily so'.¹

Part of its purpose is to establish a permanent divide between new sheep and old goats. Public sector workers who oppose this drift are represented as immured in the past, seriously 'out of date' and therefore 'the enemy within'. They too must be 'modernised'. Of course, in fact they are grossly under-rewarded in relation to the private sector, and deeply excluded as partners in the drive to improve the services they actually deliver - the objects, but never the subjects, of 'reform'. The Prime Minister advised them to think of themselves more as 'social entrepreneurs'! Meanwhile, the whole concept of 'the public interest' and 'the public good' has collapsed. It too has been declared obsolete.

1. Alan Finlayson, *Making Sense of New Labour*, L&W 2003, p67.

New Labour's critics on the left or media commentators are too embarrassed to invoke it. The proposition that markets are the only measure of 'the social good' - advanced by Hayek, adopted by Mrs Thatcher and reinvented by New Labour - has been swallowed, hook, line and sinker. Marketisation is now installed in every sphere of government. This silent revolution in 'governance' seamlessly connects Thatcherism to New Labour. It is the code which underpins the 'jargon' which New Labour ministers spout in their sleep. It is uttered as 'truth' by New Labour's welfare intellectuals from the hallowed walls of places like the LSE.

The new managerialism

During the 1980s, sceptical critics used to ask how the analysis of Thatcherite ideology affected 'the real world'. One answer then - and it is now even more the case - is through the practices of management. Apparently simply a neutral social technology, 'The New Managerialism' is really the vehicle by means of which neo-liberal ideas actually inform institutional practices. In New Labour's case, in the public sector, this is via the so-called New Public Management approach. This involves the marketisation of the state's governing and administrative practices, the transformation of public service individuals into 'entrepreneurial subjects' and the adaptation of the machinery of state to the 'mission' of 'entrepreneurial governance'. Central to this reconstruction of governance and the state is the enthusiastic adoption of a 'Public Choice' approach to the public sector. This 'shift[s] the balance of incentives [from input to delivery, and] ... in Britain in the 1980s led to the contracting out of services, the spread of internal markets and outright privatisation' (Finlayson, 111). It is the main source of the drive to re-constitute citizens as consumers.²

To its influence we now owe the boring repetition of 'choice' as one of the key 'modern' values in Tony Blair's discourse. Actually, there is no identified groundswell of public demand for more 'choice' in the abstract. Undoubtedly, many people would quite like to be able to choose a good secondary school for their children and an efficient hospital to be ill in, wherever they live and however rich or poor they may be - a quite different matter. However, repeating that 'choice' is a wide-spread demand is a way of making what is affirmed as a fact but is really only a prophecy, self-fulfilling, on the principle that 'those things

2. For a critique, see Catherine Needham's pamphlet, *Citizen-Consumers*, Catalyst 2003.

which people can be made to believe are true will be 'true' (i.e. 'real') in their effects'. As The Prime Minister said, in a classic instance of Third Way gobble-de-gook, 'Choice enhances quality of provision for the poorest, helping to tackle inequalities while it also strengthens middle class commitment to collective provision' (*The Courage of Our Convictions*, 2002, p28). He added that the purpose of public service reform was 'to deliver in a modern, consumer-focused fashion'. As Catherine Needham rightly observed, 'ministers have begun to step back from the explicit language of consumerism and competition, while still continuing to endorse the principles behind them' (*Citizen-Consumers*, p25).

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The New Public Management 'empowers' civil servants to abandon the principles of political impartiality and, like private-sector CEOs, 'take ownership' of their sectors, in a more 'agency-driven' style (the doctrine embodied in the famous 'Next Steps' document). It replaces professional judgement and control by the wholesale importation of micro-management practices of audit, inspection, monitoring, efficiency and value-for money, despite the fact that neither their public role nor their public interest objectives can be adequately re-framed in this way. For this purpose, we require an army of managers, who know little of the content of their field, but everything about strategies of managerial control - and a regiment of consultants to advise clients how to 'creatively' fudge their monitors. More widely, it fosters the concerted drive to introduce corporate business leaders into every sector of public life in order to spread a climate favourable to 'entrepreneurialism'. As the private corporations and advisers on loan from business become more and more practically entrenched at the centre of government, and their representatives actively 'volunteered' at more local levels, so 'the corporate enterprise' itself becomes progressively *the new model of the state* ...

The state's 'educative' function combines intensive micro-management and centralisation of targets with more strategic interventions exercised 'culturally' and 'at a distance'. The latter is a neo-Foucauldian, 'governmentality' approach - controlling behaviour and outcomes not by direct constraints but through the consent and 'freedom' of individuals (which may explain why neo-Foucauldians like Nikolas Rose are so favourably mesmerised by it!) This approach does not

require a mass conversion to entrepreneurial values (another error made by our critics in the 1980s). Instead, knowing that individuals can occupy various subject positions, the New Managerialism aims to re-produce all of us in the new position of practising 'entrepreneurial subjects', by fostering certain 'capacities' while down-grading others, shifting individual behaviour indirectly by altering the environment in which people work, and operationalising *new values* by 'modernising' *old practices*. You change what individuals do not by changing their minds but by changing their practices, and thus the 'culture'.

The wider point is to inculcate in the population at large a new *habitus* ('culture-change'): making into a new kind of common sense those habits and practices which the new 'free-market', consumer-focused conception of 'governance' requires. This approach is effective well outside the machinery of state. Slowly but surely, everybody - even if kicking and screaming to the end - becomes his/her own kind of 'manager'. The market and market criteria become entrenched as the *modus operandi* of 'governance' and institutional life. Media commentators and the press know no other language with which to address public issues. They may object to this or that piece of New Labour over-centralised 'managerialism', but seem unable to place the *logic* from which these arise. Democracy has long since faded as a practical ideal. Except in the banal form of 'liberal-democracy', Tony Blair has not had a single thought on the subject over two terms in government. The general public seems to have swallowed this managerialist discourse whole.

The passing-off of market fundamentalism as 'the new common sense' has helped to drive home the critical lesson which underpins the 'reform' of the welfare state: the role of the state 'nowadays' is not to support the less fortunate or powerful in a society which 'naturally' produces huge inequalities of wealth, power and opportunity, but to help individuals *themselves* to *provide* for all their social needs - health, education, environmental, travel, housing, parenting, security in unemployment, pensions in old age, etc. Those who can - the new middle-class majority - must. The rest - the residuum - must be 'targeted', means-tested, and kept to a minimum of provision lest the burden threaten 'wealth creation'. This is what we used to call 'the one third/two thirds strategy', and is now referred to as 'the two-tier society'. New Labour, of course, says it cannot recognise the phenomenon. However, it is manifestly the lynchpin of public sector 'modernisation'. It sounds the death-knell to the old notion of

'the public realm', the social conception of the individual ('There is no such thing as society') and the basic social-democratic idea of collective provision.

A double regime

New Labour is therefore confusing in the signals it gives off, and difficult to characterise as a regime. It constantly speaks with forked tongue. It *combines* economic neo-liberalism with a commitment to 'active government'. More significantly, its grim alignment with the broad global interests and values of corporate capital and power - the neo-liberal project, which is in the *leading position* in its political repertoire - is paralleled by another, *subaltern* programme, of a more social-democratic kind, running alongside. This is what people invoke when they insist, defensively, that New Labour is not, after all, 'neo-liberal'. The fact is that New Labour is a *hybrid* regime, composed of two strands. However, one strand - the neo-liberal - is in the dominant position. The other strand - the social democratic - is subordinate. What's more, its hybrid character is not simply a static formation; it is the *process* which combines the two elements which matters. The process is 'transformist'. The latter always remains subordinate to and dependent on the former, and is *constantly being 'transformed' into* the former, dominant one.

How can we explain New Labour's double character? The political scientist Andrew Gamble long ago pointed out that left parties in government are often subject to contrary pulls - one towards realising their governmental programme, the other towards doing what is necessary to win electoral support and hold on to power. These frequently conflict. New Labour's subaltern programme is driven by the second of those imperatives. It is the necessary 'cost' of maintaining loyalty amongst its traditional supporters, whilst its governmental project favours a quite different set of interests. This is not necessarily just opportunistic calculation. Many Labour MPs have persuaded themselves that New Labour is still fundamentally attached to 'old' Labour values, which will somehow eventually reassert themselves; and the Blair government itself defends its massive departures from these old values by rhetorically 'spinning' its verbal continuity with them. It must therefore find space in its programme to address these subordinate pressures and constituencies - provided they are not allowed to de-rail the progress towards a more developed market state. Thus New Labour's 'balancing act', its two-step shuffle - and the way it has become mired in endless

'spin' in order to square the impossible circle.

There is another consideration. The full-blown neo-liberal drive to the market state we saw in Thatcherism had its costs. Its brutalism antagonised many in society, including some of its original supporters. People thought neo-liberalism 'red in tooth and claw' a step too far. Even many of Mrs T's most fervent converts eventually abandoned her for reasons of electoral calculation. But moving to the full blown market state via a subordinated social-democratic route has the advantage of addressing some of the problems of 'the residuals' and losers - those who are likely to benefit least from the neo-liberal route. It also takes account of some of the 'costs' and the social upheaval which its 'trans-formism' will create. It is authentically a 'hegemonic' strategy, even though it may not be capable of producing a stable hegemonic outcome. It aims to win enough consent as it goes, and to build subordinate demands back into its dominant logic. Forging a plausible or pragmatic pathway from left to right, carrying a proportion of its old supporters with it on particular points, dividing and confusing the oppositions, and winning a measure of consent for the project, may serve to establish neo-liberal society on firmer, less contested foundations. Certainly, the confusion which its double-headed strategy sows in its own ranks obscures the long-term objective and prevents a coherent and organised opposition from emerging. The social-democratic route to neo-liberalism may turn out in the end to be what Lenin might have called 'the best shell' for global capitalism.

The subordinate part of the New Labour programme involves a certain measure of indirect taxation and redistribution, reforms like the minimum wage, family tax credits, inducements to return to work (the high visibility given to 'skills and training', however, is solidly in line with the neo-liberal emphasis on 'the supply side'). To this we also owe, in the second term, the build up of concern about the delivery of public services, including a substantial injection of public funds into health and education. In a retrospective gloss, New Labour now suggests that the latter was always what it intended for its second term, but the evidence for this is not compelling. In its first term it systematically demonised the public sector and redistribution, and was consistently and unapologetically 'entrepreneurial'. Failing public services surfaced as an issue, unannounced and unanticipated, towards the end of the first term, around the time of the resignation of Peter Kilfoyle, when the

disillusionment amongst New Labour's 'heartland' traditional supporters had reached fever pitch; it was clearly forced on to New Labour's political agenda from the outside.

Public service delivery in the second term is really the key to understanding how this *hybrid* New Labour regime functions. New Labour is committed to improving the delivery of public services. But its means of achieving this are impeccably 'new managerialist'. Redistribution, where it occurs, must be by stealth, lest a more vocal and organised constituency should develop around it. New Labour has set its stony face against enlisting public service workers and professionals in the enterprise. It refuses to countenance a return to a more full-blooded 'mixed' public/private regime (hence the unrelenting vendetta against Ken Livingstone about funding the tube). Instead, it has adopted the top-down managerialist approach of centralised control, supplemented by the rich panoply of 'the audit culture': the exponential expansion of public service managers over professionals at the coal face; unachievable targets; socially uninformative league tables; perpetual monitoring; moralistic 'shaming'; the merciless proliferation of pointless bureaucratic detail; the introduction of selectivity under the guise of 'diversity' (another piece of linguistic expropriation); vulgar hectoring by public sector ministers re-trained in the new, 'bruiser school' of New Labour leadership (Prescott, Blunkett, Clarke, Reid); and the novel, contradictory strategy of 'tough love'.

In public service 'reform', how does the articulation of the subaltern 'social democratic' part of the repertoire with the dominant, neo-liberal part operate? Every change in the public sector *must* be accompanied by a further tightening of the 'modernising' screw, as the unshakeable *trade-off of a certain kind of 'reform'*. The public think the aim here is 'better delivery'. The government knows that the price which must be paid for this is 'more modernisation'. Nothing - however good or necessary - is allowed to happen which is not accompanied by another dose of 'reform'. And the kind of 'reform' implied must meet the following criteria: (a) it must open the door to private investment or blur the public/private distinction; (b) it must meet market criteria of efficiency and value-for-money; (c) it must put managerial authority in command; (d) it must reform working practices in a less collective, more individualised direction; (e) it must stimulate competition and divide workers by introducing incentive pay schemes and undermining collective bargaining; (f) it must weaken the bargaining power

of the unions; (g) it must reduce the size of the workforce and the cost of the service; (h) it must hold public sector pay in line well behind the private sector; (i) the service must be remodelled along 'two-tier' lines by introducing selectivity. In short, marketisation and privatisation, whether frontally or incrementally introduced, is what 'reform' now *means*. This type of 'modernisation' is the New Labour 'trade-off' for any kind of change.

Take the fire-fighters' dispute. Of course, a modern fire service should function efficiently. Fire-fighters deserve to be well paid for the risks they take on our behalf, and in return should have their paramedical skills and professional levels enhanced. 'Spanish practices', where they exist, serve no useful social purpose. But New Labour is determined that they should not get a penny more unless and until they first submit to new forms of managerial control imposed from above, and at the cost of cuts in the labour force and the number of fire stations.

New Labour 'hybridisation' has its political antecedents. Its immediate ancestor is Clintonian triangulation. Clinton borrowed from the Democrats, borrowed from the Republicans, and moved the whole wagon-train further towards the market - a 'knight's move', or three-pronged shift, which was very influential in New Labour thinking in its early stages, and even more so when Clinton was able to bring off the much-envied prize of a second election victory. The essence of this 'transformism' game depends on pulling selectively, and in an ordered hierarchy, from opposing political repertoires, maintaining a double-address to their different 'publics', so that you can advance a 'radical' (sic) overall strategy of governance, on the one hand, *while maintaining electoral support and securing a third term on the other*. The subordinate agenda - redistribution, belated public investment, public service 'delivery', etc - has to do, essentially, with this second goal. That is the crucial 'double-shuffle' or 'triple-play' involved in the New Labour project. It delivers what Philip Bobbit calls 'the market state', or, more simply, a '*social democratic variant of neo-liberalism*' (in exactly the same way that Thatcherism delivered a 'neo-liberal variant' of classic Conservatism). No prizes for identifying the common thread!

This is the principal reason why 'spin' is an essential and organic part of the New Labour project; it is not a surface excrescence, as many critics fondly suppose. 'Spin' has the obvious purpose of putting a favourable gloss on

everything. It turns every argument, by a rhetorical sleight-of-hand, in New Labour's favour. It is a sign of the reduction of politics to public relations and the manipulation of public opinion. But 'spin' also has the much deeper function of 'squaring circles': re-presenting a broadly neo-liberal project, favourable to the global interests of corporate capital and the rich, in such a way that it can mobilise the popular consent of Labour voters and supporters, the trades unions and the less-well-off in society. This sleight-of-hand can only be done by continuously *sliding* one agenda into or underneath another. The New Labour phenomenon of linguistic slippage is thus a function of its double-pronged mode of address. It spins the word 'reform', with its positive associations - the Reform Acts, the Factory Acts, the welfare state, etc - until it somehow becomes equivalent to its absolute opposite - marketisation! It masks the consistent shift of direction from public to private, by exploiting the vagaries of words like 'change' - or 'radical' - which can point in any direction (after all, even Mussolini made the trains run on time!). Choice, which is designed to introduce selectivity and the private sector, is represented as part of an anti-inequality strategy. 'Spin' mobilises a concept's positive resonances - and transfers this charge to a very different, usually contrary, idea.

Take the NHS. It remains 'free at the point of delivery' (actually, it isn't, but let that pass for a moment). Of course some public hospitals will now be built by private construction companies on PFI terms, whose real costs will only become clear two or three generations ahead; and some of its services will be delivered by private American or British pharmaceutical or health service companies to foundation hospitals which have been 'freed' to raise funds and compete for staff. Who cares that this is all at the expense of the general social provision of health care and the founding principle of universality, and will create a two-tier service? You foreground the pragmatic practicalities of 'delivery' in order to silence these other awkward questions about principle and purpose you would prefer not to have to answer. What 'delivery' presumes is that no-one any longer *cares* who owns, runs, controls or profits from, health-care, providing the possessively-individual consumer's personal need is satisfied. The reduction of the citizen to consumer, and the 'privatisation of need' at the centre of the market model, are thus the absolutely crucial but unspoken foundations to this strategy. New Labour not only banks on the fact that this shift has occurred, but is actively 'spinning' to bring it about. It is not

a passive victim of sociological change but an active agent in its unravelling. If people think of themselves as having a stake in the NHS, then it matters to them who owns it, what principles inform its operation. But if they can be induced, by relentless 'spin', to think of the NHS only in the individualist terms of 'I need a better bed', or 'I need to move faster up the waiting list', then they won't mind who produces it or whether health becomes a lucrative site of private sector investment. It's simply one more 'market' response to consumer demand.

At the moment, the resistance to the New Labour project is coming mainly from the backwash of the invasion of Iraq and Blair's decision to commit Britain, wholesale and without qualification, as an ancillary support to the US drive to global hegemony. No account of the New Labour project would be complete without taking into account how its domestic programme fits into its global mission to push through a global neo-liberal agenda, and the dependency this has produced in the foreign policy and geopolitical domains. The account offered here is therefore incomplete. However, it does have a political purpose. The New Labour 'project' is a complex political initiative and we need to understand its complexities better than we do. The idea that it has simply, like Topsy, grown higgledy-piggledy by its own accord, is nonsense. Now that there are serious forces wishing to distance themselves from the overall goals, we need to build the different, particular points of opposition (the war, the US alliance, foundation hospitals, selectivity in education, private-public initiatives, the reconstruction of the NHS, the trade union opposition to privatisation, etc) into a more substantive and integrated critique, in order that a more concerted and coherent vision - and the political forces to make it popular and put it into effect - can emerge. The two years between now and the next election are just enough time to construct an alternative political project for/ from the left. Failing this, beyond the election awaits a third installation of New Labour's double shuffle, or - Heaven forbid - IDS!